

Approved
ENHANCED MUNICIPAL SERVICES DISTRICT COMMISSION
CITY OF SCOTTSDALE
COMMUNITY DESIGN STUDIO
7506 EAST INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
MAY 18, 2005
MINUTES

PRESENT: William Gookin, Jr., Chairman
Paul Piazza, Vice Chairman
Marilynn Atkinson, Commissioner (arrived at 5:39 p.m.)
Steven Scholz, Commissioner
Sally Shaffer, Commissioner

ABSENT: Anselm Bischoff, Commissioner
Bambi Johnson, Commissioner

STAFF: Michelle Korf, Deputy Director
John Little, Executive Director

OTHERS Judie Pinch, Old Town Scottsdale Merchants Association
PRESENT: Frank Maguire, Fifth Avenue Merchants Association
Lois Fitch
Stan Yamamoto, Olson Communications
Dan O'Boyle, Olson Communications

CALL TO ORDER

Chairman Gookin called the regular meeting of the Enhanced Municipal Services District Commission to order at 5:35 p.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

A MOTION WAS MADE BY COMMISSIONER SHAFFER TO APPROVE THE MINUTES OF THE APRIL 20, 2005 MEETING AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER SCHOLZ AND PASSED UNANIMOUSLY, BY A VOTE OF FIVE (5) TO ZERO (0).

OUTCOME OF MAY 17TH CITY COUNCIL MEETING

The outcome of the May 17, 2005 City Council meeting was discussed. Mr. Little explained that the Commission's charge is to develop a plan and allocate the revenues that come from the district, which will officially end June 30th. He further noted that Council has not yet acted to abolish the Commission. Council directed staff to identify programs and projects that they did not want to fall through the cracks. The expenditure limit for the EMSD Commission is currently set at \$580,000 for FY06. When Council adopts the budget on June 7, this amount could be adopted or reduced, possibly to zero. The tax was abolished at the May 17 meeting.

FY06 MARKETING PLAN AND BUDGET MANAGEMENT

Commissioner Piazza remarked that the merchants will need some financial support. Information in this regard needs to be presented to City staff so that councilors will receive it for consideration. He hoped that even if the EMSD were to dissolve, the Marketing Group could continue its work, even as a private entity.

AREA GRANT APPLICATIONS / STATUS

Ms. Pinch of the Old Town Merchants Association addressed the Commission to express the Association's gratitude to the EMSD. She distributed copies of the Association's budget and spoke about how it had been spent over the past year. They had an outstanding invoice relating to the services of the Scottsdale Jaycees at the Parada del Sol and Ms. Pinch requested permission to use any remaining balance from the production of their brochure to make a payment towards this invoice. There had been confusion about which organization was responsible for paying the Jaycees.

A MOTION WAS MADE BY COMMISSIONER ATKINSON TO REALLOCATE FUNDS AS SET FORTH IN THE SUBMITTAL FROM THE OLD TOWN MERCHANTS ASSOCIATION WITH THE UNDERSTANDING THAT THE BROCHURE AMOUNT MAY CHANGE, BASED ON THE FINAL BILLING PROVIDED AND THAT ANY BALANCE REMAINING WOULD BE APPLIED UP TO THE AMOUNT OF THE OUTSTANDING BILL FROM THE SCOTTSDALE JAYCEES. THE MOTION WAS SECONDED BY COMMISSIONER SHAFFER AND PASSED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0).

Mr. Maguire of the Fifth Avenue Merchants Association addressed the Commission. He thanked the Commission for their hard work. The brochure production had run \$600 over budget. The Association was within its overall budget and was requesting to reallocate funds.

A MOTION WAS MADE BY COMMISSIONER SHAFFER TO REALLOCATE \$600 IN THE BUDGET OF THE FIFTH AVENUE MERCHANTS ASSOCIATION

TO COVER THE OVERRUN ON THE PRODUCTION OF THEIR BROCHURE. THE MOTION WAS SECONDED BY COMMISSIONER ATKINSON AND PASSED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0).

Chairman Gookin thanked Mr. Maguire for the outstanding work he had done on the PowerPoint slide show presentation for City Council.

HORSE-DRAWN CARRIAGES

Commissioner Piazza recommended that this be added to the list of items that are important for City Council to find funding for.

Ms. Fitch addressed the Commission, stating that having the horse-drawn carriages would be a unique attraction that would set downtown Scottsdale apart and draw traffic into the area. Members of the public who were present agreed that this was a great idea.

STATUS OF FY05 BUDGET

Chairman Gookin asked to consider this agenda item next before hearing from the Marketing Group. Ms. Korf said that Mr. Yamamoto would elaborate on the budget in his presentation.

MARKETING WORKING GROUP UPDATE / RECOMMENDATIONS

Mr. Yamamoto, Olson Communications, addressed the Commission, reporting that there are funds remaining in the fiscal year 2005 budget in a couple of key areas due to efficiencies. They proposed the implementation of a summer campaign in June to increase residents' awareness of downtown Scottsdale. Approximately \$50,000 is available. This would use radio announcements and print ads that will run concurrently to help build awareness of downtown Scottsdale. He distributed a sheet showing the media plan.

Mr. O'Boyle, Associate Creative Director of Olson Communications, addressed the Commission, stating that the campaign would focus on the "cool things" downtown Scottsdale has to offer during the summer. Additional rollover funds are available for PR support to the campaign.

Chairman Gookin asked Ms. Korf whether the unspent funds from the current budget year could be moved into the budget for fiscal year 2006. A discussion ensued on different possibilities for utilizing the unspent funds. Ms. Korf stated that according to the City Purchasing Director's statements at the City Council meeting, it was possible to commit to advertising and pay for it before July 1st, with the understanding that the ads would run later.

A general discussion on use of funds ensued. Commissioner Atkinson suggested spending more on the map and directory to ensure that the supply lasts through the year.

Ms. Korf stated that the Council has expressed a clear interest in seeing the map and directory continue and the staff understands this. She clarified that unspent funds would have to be spent on downtown marketing. Chairman Gookin said that leaving the funds unspent for Council to allocate in future seemed a good option.

A MOTION WAS MADE BY COMMISSIONER PIAZZA THAT THE MONEY NOT BE SPENT ON THE MARKETING FOR THE SUMMER CAMPAIGN. THE MOTION WAS SECONDED BY COMMISSIONER ATKINSON.

A discussion ensued about the timing of spending the funds on a June campaign versus leaving them unspent. Mr. Yamamoto said that pricing for radio ads varies so that the cost of running the campaign at a different time might be different. Broadcast ads cannot be prepaid.

AFTER DISCUSSION, THE MOTION ON THE TABLE WAS DEFEATED BY A VOTE OF 2 TO 3, WITH COMMISSIONER ATKINSON AND CHAIRMAN GOOKIN IN FAVOR AND COMMISSIONERS SHAFFER, PIAZZA, AND SCHOLZ OPPOSED.

A MOTION WAS MADE BY COMMISSIONER SHAFFER THAT THE PLAN AS PROPOSED BY OLSON COMMUNICATIONS BE IMPLEMENTED. THE MOTION WAS SECONDED BY COMMISSIONER SCHOLZ .

Mr. Yamamoto clarified the breakdown of the expenses for the proposed campaign. Some funds would be left over after spending on the supporting PR campaign.

THE MOTION CARRIED BY A VOTE OF 3 TO 2, WITH COMMISSIONERS SHAFFER, SCHOLZ AND PIAZZA IN FAVOR, AND COMMISSIONER ATKINSON AND CHAIRMAN GOOKIN OPPOSED.

STATUS OF FY05 BUDGET

Chairman Gookin remarked that none of the districts have turned in the evaluation forms for the area events and that this feedback is important.

STAFF ANNOUNCEMENTS

Ms. Korf advised that all bills must be submitted by June 15th as Olson Communications is winding up the checking account used for EMSD.

FUTURE AGENDA ITEMS / COMMISSIONER ANNOUNCEMENTS

Ms. Korf informed the Commission that the next scheduled meeting normally would be on June 15th. This date could be held open as a tentative meeting date should the need for some agenda items emerge. Chairman Gookin commented that this would be a good

idea. Commissioner Piazza concurred, adding that the meeting could be cancelled if there was no need to hold it.

Chairman Gookin thanked the Commission members for having the faith in him to elect him twice. Commissioner Piazza thanked the Marketing Committee in particular for their efforts on behalf of all the downtown organizations and asked them to remain involved in the future as more residents move into the downtown area. Olson and Park had done an outstanding job in a difficult situation. The City staff involved had made great efforts to do the best possible job in the circumstances. Commissioner Atkinson added her thanks to the other members of the Marketing Group for their integrity and willingness to work together.

ADJOURNMENT

With no further business to discuss, the regular meeting of the Scottsdale Enhanced Municipal Services District Commission was adjourned at 7:07 p.m.

Respectfully submitted,
A-V Tronics, Inc.